

Attorneys at Law  
**JOONDEPH & SHAFFER**

SUITE 700  
AKRON CENTRE PLAZA  
50 SOUTH MAIN STREET  
AKRON, OHIO 44308-1881  
(216) 376-4500

JEROME J. JOONDEPH  
DAVID H. SHAFFER  
DALE V. WILSON  
ROGER W. STRASSBURG, JR.  
KEVIN T. LYDEN  
JEFFREY T. LEHMAN  
ANDREW A. PAISLEY

FAX (216) 376-0515

0160417016

October 17, 1994  
19032

Sidney L. Strickland, Jr.  
Secretary  
Interstate Commerce Commission  
Washington, D.C. 20423

Dear Mr. Secretary:

I have enclosed an executed original and one executed counterpart of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease, a primary document, dated October 10, 1994.

The names and addresses of the parties to the document are as follows:

Lessor: Intermodal Technologies, Inc.  
1871 State Route 44  
P.O. Box 277  
Randolph, Ohio 44265

Lessee: Chambers Development Company, Inc.  
10700 Frankstown Road  
Pittsburgh, Pennsylvania 15235

A description of the equipment covered by the document follows:

- ✓ 1 GP9 Locomotive #1970 GM (EMD) SN 7375
- 1 SW8 Locomotive #1951 (Rebuilt 1980) GM (EMD)  
SN 8673
- Including Hot Start and Radio Control Equipment  
and Related Accessories


A fee of Eighteen Dollars (\$18.00) is enclosed. Please return the original to the undersigned.

Sidney L. Strickland, Jr.  
October 17, 1994  
Page 2

A short summary of the lease to appear in the index follows:

Lease between Intermodal Technologies, Inc., 1871 State Route 44, P.O. Box 277, Randolph, Ohio 44265, Lessor, and Chambers Development Company, Inc., 10700 Frankstown Road, Pittsburgh, Pennsylvania 15235, Lessee, dated October 10, 1994, and covering 2 GM Locomotives (SN 7375 and SN 8673) with Hot Start and Radio Control Equipment.

Yours very truly,



Jerome J. Soondeph  
Attorney for Intermodal  
Technologies, Inc.

JJJ:nd  
Enclosure

LEASE

THIS LEASE, made this 10th day of October, 1994, by and between Intermodal Technologies, Inc., a Delaware Corporation, (hereinafter called "Lessor") and Chambers Development Company, Inc. (hereinafter called "Lessee"),

WITNESSETH:

For and in consideration of the mutual covenants and promises hereinafter set forth, the parties hereto agree as follows:

1. Lease. Lessor hereby leases to Lessee, and Lessee hereby leases and hires from Lessor, all machinery, equipment and other property described in (a) the schedule executed by the parties concurrently herewith or hereafter and made a part hereof, and (b) any schedule or schedules hereafter executed by the parties hereto and made a part hereof. All said machinery, equipment and other property described in all said schedules is hereinafter collectively called "equipment"; and all said schedules are hereinafter collectively called "schedule".

2. Term. The term of this Lease respecting each item of equipment is set forth in the schedule.

3. Rent. The rent for the equipment shall be as designated in the schedule. Lessee shall pay Lessor said rent at the office of Lessor, 1871 State Route 44, P.O. Box 277, Randolph, Ohio 44265.

4. Use. Lessee shall use the equipment in a reasonable and proper manner and shall comply with and conform to all national, state, municipal, police and other laws, ordinances and regulations in any way relating to the possession, use or maintenance of the equipment. If at any time during the term hereof, Lessor supplies Lessee with labels, plates or other markings, stating that the equipment is owed by Lessor, Lessee shall affix and keep the same upon a prominent place on the equipment.

5. Lessor's Inspection. Lessor shall at any and all times, with reasonable prior notice to Lessee, during business hours have the right to enter into and upon the premises (unless Chambers is lawfully denied access to the premises) where the equipment may be located for the purpose of inspecting the same or observing its use. Lessee shall give Lessor immediate notice of any attachment or other judicial process affecting any item of equipment and shall, whenever requested by Lessor, advise Lessor of the exact location of the equipment.

6. Lessee's Acceptance. Lessee acknowledges that it has inspected the equipment and has accepted the equipment "AS IS."

7. Alterations. Without the prior consent of Lessor which shall not be unreasonably withheld, Lessee shall not make any alterations, additions or improvements to the equipment. Upon the return of any equipment to Lessor, Lessee shall have the option of returning the equipment in its original condition, normal wear and tear excepted, or with the permitted alterations or improvements included.

8. Repairs. Lessee, at its own cost and expense, shall keep the equipment in good repair, condition and working order and shall furnish any and all parts, mechanisms and devices required to keep the equipment in good mechanical and working order. The rent shall not be prorated or abated while the equipment is being serviced or repaired.

9. Operating Expenses. Lessee shall be responsible for all expenses and all other charges in connection with the operation of the equipment.

10. Loss and Damage; Stipulated Loss Value. Lessee hereby assumes and shall bear the entire risk of loss and damage to the equipment from any and every cause whatsoever. No loss or damage to the equipment or any part thereof shall impair any obligation of Lessee under this Lease which shall continue in full force and effect.

In the event of loss or damage of any kind whatever to any item of equipment, Lessee shall:

(a) Place the same in good repair, condition and working order, or replace the same with like equipment in good repair, condition and working order; or

(b) If lost, stolen, destroyed or damaged beyond repair, pay Lessor therefor in cash the "Stipulated Loss Value" as set forth in the schedule. Upon such payment this Lease shall terminate with respect to such item of equipment so paid for and Lessee thereupon shall become entitled to such item of equipment as-is-where-is without warranty, express or implied, with respect to any matter whatsoever.

11. Surrender. Upon the expiration or earlier termination of this Lease, with respect to any item of equipment, Lessee shall (unless Lessee has paid Lessor in cash the "Stipulated Loss Value" of such item of equipment pursuant to paragraph 10 hereof) return the same to Lessor in good repair, condition and working order, ordinary wear and tear excepted, by delivering such item of equipment at Lessee's cost and expense to Lessor as designated on the schedule.

12. Insurance. Lessee shall keep the equipment insured against all risks of loss or damage by theft, fire or damage

and such other risks as are covered by endorsement commonly known as supplemental or extended coverage not less than the Stipulated Loss Value as set forth in the schedule; and shall carry public liability and property damage insurance covering the equipment in amounts of not less than \$3,000,000 in respect of bodily injury or death to any one person, not less than \$5,000,000 in respect of any one accident, and not less than \$1,000,000 in respect of property damage. All such insurance shall insure both Lessor and Lessee. All such policies shall be written by companies presently insuring the Lessee or other companies reasonably satisfactory to the Lessor and certificates showing such coverages to be in effect shall be furnished to the Lessor upon request. Each insurer shall agree, by endorsement upon the certificate or certificates issued by it or by independent instrument furnished to Lessor, that it will give Lessor thirty (30) days' written notice before the policy in question shall be altered or cancelled and that any proceeds shall be paid jointly to the Lessor and Lessee as their interests may appear. The proceeds of such insurance shall be applied as set forth on the schedule.

13. Taxes. Lessee shall keep the equipment free and clear of all levies, liens and encumbrances other than those being contested which as a result of such contest do not adversely threaten Lessor's title to the equipment and shall pay when due all license fees, registration fees, assessments, charges and taxes (municipal, state and federal) which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession or use of the equipment, excluding, however, all taxes on or measured by Lessor's income. If any taxing authority requires that a tax be paid to the taxing authority directly by Lessor, the Lessee shall, on notice from Lessor, pay to the Lessor the amount of the tax together with the next rent installment.

14. Lessor's Payment. In case of failure of Lessee to procure or maintain said insurance or to pay said fees, assessments, charges and taxes, all as hereinbefore specified, Lessor shall have the right, but shall not be obligated, to effect such insurance, or pay said fees, assessments, charges and taxes, as the case may be. In that event, the cost thereof shall be repayable to Lessor with the next installment of rent.

15. Warranties. LESSOR MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, and as to Lessor, Lessee leases the equipment "AS IS."

16. Indemnity. Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including reasonable attorneys' fees arising out of, connected with,

or resulting from the equipment, including without limitation the manufacture, selection, delivery, possession, use, operation or return of the equipment except if such losses occur as a result of a latent defect in the equipment which was not discoverable upon reasonable inspection by Lessee. Each party hereto agrees that it will give the other party prompt notice of the assertion of any such claim or the institution of any such action, suit or proceeding. The provisions of this paragraph shall survive termination of this Lease as to any matter arising during the term of this Lease.

17. Default. If Lessee with regard to any item or items of equipment fails to pay any rent or other amount herein provided within five (5) days after the same is due and payable, or if Lessee with regard to any item or items of equipment fails to observe, keep or perform any other provision of this Lease required to be observed, kept or performed by Lessee, and if Lessee fails to remedy, cure or remove such failure in payment or such other failure in observing, keeping or performing the provisions of this Lease within ten (10) days after receipt of written notice thereof from Lessor, Lessor shall have the right to exercise any one or more of the following remedies:

(a) To declare the balance of all unpaid rent and all other charges of any kind required of the Lessee under the Lease to be due and payable immediately and sue for the recovery of all rents and other amounts then due and amounts that subsequently become due hereunder.

(b) To take possession of any or all items of equipment, without demand or notice, wherever same may be located, without any court order or other process of law. Lessee hereby waives any and all damages occasioned by such taking of possession unless caused by Lessor's negligence or willful misconduct. Any said taking of possession shall not constitute a termination of this Lease as to any or all items of equipment unless Lessor expressly so notifies Lessee in writing.

(c) To terminate this Lease as to any or all items of equipment.

(d) To pursue any other remedy at law or in equity.

Notwithstanding any said repossession, or any other action which Lessor may take, Lessee shall be and remain liable for the full performance of all obligations on the part of Lessee to be performed under this Lease.

All such remedies are cumulative, and may be exercised concurrently or separately.

A default under this Lease shall constitute a default under any other lease between Lessor and Lessee.

Lessee shall during the term of this Lease have the right to two (2) non-consecutive extensions for the payment of rent not to exceed twenty-five (25) days each.

18. Assignment. Without the prior written consent of Lessor, Lessee shall not (a) assign, transfer, pledge or hypothecate this Lease, the equipment or any part thereof, or any interest therein or (b) sublet or lend the equipment or any part thereof, or permit the equipment or any part thereof to be used by anyone other than Lessee or Lessee's employees. Consent to any of the foregoing prohibited acts applies only in the given instance; and is not a consent to any subsequent like act by Lessee or any other person, provided, however, that without such prior consent but with notice to Lessor, Lessee may assign this Lease to any corporation into which Lessee may merge or consolidate or which may acquire all or substantially all of Lessee's assets, and may sublease any of the equipment subject to this Lease to any subsidiary of Lessee or to Lessee's parent or any subsidiary of Lessee's parent. No such permitted sublease shall operate to relieve the Lessee of its obligations hereunder which shall remain those of a principal and not a guarantor.

Subject always to the foregoing, this Lease inures to the benefit of, and is binding upon, the successors and assigns of the parties hereto.

19. Ownership. The equipment is, and shall at all times be and remain, the sole and exclusive property of Lessor; and the Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease.

20. Personal Property. The equipment is, and shall at all times be and remain, personal property notwithstanding that the equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to, or embedded in, or permanently resting upon, real property or any building thereon, or attached in any manner to what is permanent as by means of cement, plaster, nails, bolts, screws or otherwise.

21. Additional Documents. Lessee agrees to execute and deliver to the Lessor any and all instruments and documents that may be reasonably necessary to protect Lessor's interest under this Lease including, but not limited to, financing statements, registration certificates and other documents which may be necessary to legally notify third parties of Lessor's ownership of the equipment.

22. Inequities. It is the intent of parties hereto that they will mutually benefit from this Lease. If either party suffers a gross inequity resulting from a substantial change in circumstances or conditions, the parties hereto will negotiate in good faith to resolve such inequity.

23. Governing Law. This Lease shall be construed in accordance with and governed by the laws of the State of Ohio.

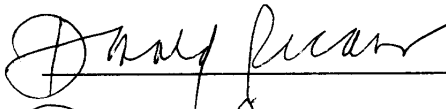
24. Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

25. Savings Clause. If any provision of this Lease or the application of any provision to any part or circumstance is held invalid or unenforceable, the remainder of this Lease and the application of the provisions to the other parties or circumstances shall remain valid in full force and effect.

IN WITNESS WHEREOF, the parties hereto have exercised these presents the day and year first above written.

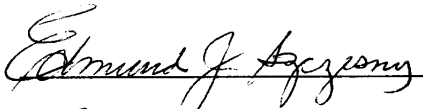
Witnessed in the  
presence of:

Intermodal Technologies, Inc.



DONALD PECANO

Print or type name



Edmund J. SZCZESNY

Print or type name

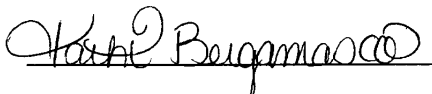
By: 

Howard D. Booher

Its: President

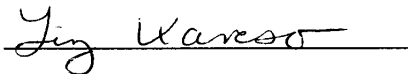
LESSOR

Chambers Development Company, Inc.



Kathi Bergamasco

Print or type name



Liz Kancso

Print or type name

By: 

Its: Sr. V.P. Marketing & Development

LESSEE



STATE OF Ohio  
COUNTY OF Portage

On this 13th day of October, 1994 before me personally appeared Howard D. Booher, to me personally known, who being by me duly sworn, says that he is the President of Intermodal Technologies, Inc., that the foregoing instrument was signed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Jeanine C. Decker  
Notary Public

Jeanine C. Decker  
Notary Public - State of Ohio  
My Commission Expires 8-6-96

STATE OF PENNSYLVANIA  
COUNTY OF ALLEGHENY

On this 6th day of October, 1994 before me personally appeared Peter Morse, to me personally known, who being by me duly sworn, says that he is a Vice President of Chambers Development Company, Inc., that the foregoing instrument was signed on behalf of said Corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said Corporation.

Andrea F. Frenchick  
Notary Public

My Commission Expires 2/14/98  
Andrea F. Frenchick, Notary Public  
Penn Hills Twp., Allegheny County  
My Commission Expires Feb 14, 1998  
Member, Pennsylvania Association of Notaries

## SCHEDULE

A. Equipment Leased.

1 GP9 Locomotive #1970 GM (EMD) SN 7375  
1 SW8 Locomotive #1951 (Rebuilt 1980) GM (EMD) SN 8673  
Locomotives include hot start and radio control equipment and related accessories

B. Term. This Lease shall commence on October 10, 1994 and terminate on October 9, 1997.

C. Rent. As rent for said equipment, Lessee shall pay Lessor the sum of Two Hundred Sixty-Two Thousand Eight Hundred Dollars (\$262,800) for the lease term payable in thirty-six (36) equal monthly installments of Seven Thousand Three Hundred Dollars (\$7,300), each of which shall be due on the first day of each month during the lease term.

D. Stipulated Loss Value. The following amounts shall be paid to Lessor, pursuant to paragraph 10(b) of the Lease, for each item of equipment lost, stolen, destroyed or damaged beyond repair during the lease term ("Event of Loss"):

Item	Stipulated Loss Value
GP9 Locomotive	An amount equal to \$131,400 less one-half of the total rental payments made hereunder as of the date of the Event of Loss.
SW8 Locomotive	An amount equal to \$131,400 less one-half of the total rental payments made hereunder as of the date of the Event of Loss.


E. Location of Equipment. Lessee shall keep the equipment at its present location in Bergen County, New Jersey set forth in paragraph G of this schedule and will not move the equipment without the prior written permission of Lessor.

F. Purchase Option. The Lessee, at the expiration of the term of this Lease and provided that Lessee is not in default of this Lease, shall have the right to purchase all of the equipment upon thirty (30) days written notice prior to the termination of the term. The purchase price shall be One Dollar (\$1.00). On the date of the purchase, Lessee shall pay to Lessor the purchase price for the equipment and Lessor shall sell the equipment "AS IS" in its then current location.

- G. Return of Equipment. The equipment shall be returned to Lessor in Bergen County, New Jersey at the Bergen County Utilities Authority, 1 Disposal Road, North Arlington, NJ 07032.
- H. Insurance. Insurance shall be applied in the following order of priority (a) toward paying Lessor the Stipulated Loss Value if paragraph 10(b) of the Lease applies, (b) toward paying the obligations of Lessee set forth in paragraph 10(a) of the Lease if it applies, (c) toward payment of the lease payments hereunder, (d) toward any other obligation of Lessee to Lessor hereunder and (e) to Lessee.

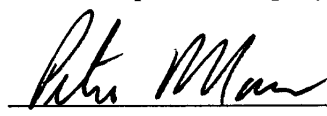
APPROVED AND AGREED TO this 10th day of October, 1994, as a schedule to that certain Lease dated the 10th day of October, 1994, by and between the parties hereto, and made a part thereof.

Intermodal Technologies, Inc.

By:   
Howard D. Booher  
Its: President

LESSOR

Chambers Development Company, Inc.

By:   
Its: Sr. V.P. Marketing & Development

LESSEE

n:jjj/531